

Finance Report, Financial Year 2018/19 May 2018

Executive Summary

Income as at the end of May is £4.9m, £1.2m or 33% ahead of forecast. This represents an uplift of over 9% on the list of organisations registered to pay a Data Protection fee. This means that we have exceeded our estimated 6% uplift for the full year within the first 2 months of the year and will require a reforecast to gain a reasonable estimate of our total fee income for the year. We will be looking to reforecast this in August to enable us to review whether the level of increase is likely to continue or stabilise in the coming months.

This additional income is likely to be spent on adaptations to Wycliffe House as well as expanding our London office to facilitate the overall increase in staff over our entire office portfolio expected over the year. We are investing heavily in our infrastructure including more touchdown areas, more IT kit made available for agile working and working from home as well as an increase in back office staff to support the additional work streams coming on line and ensure that expertise is utilised efficiently. Additional research projects are currently being procured within our policy teams around key areas of interest and we continue to invest on additional kit, support and training for our technology team.

Expenditure

Expenditure is being carefully monitored as workload increases and new areas of responsibility and opportunities come on line. Areas that have exceeded expectation are most pronounced in communications, training and legal mainly due to the additional responsibilities under GDPR and priority operations and investigations. Further detail is provided below.

Financial Overview as at 31 May

Spend under/ (over) variance tolerance of 10%:

Budget	% Variance	Comments
Training & Recruitment	(21.3%)	Training for new starters continues to dominate the bulk of expenditure under our training budget. We have also commenced an office wide coaching programme to enable managers to create a more progress, supportive and confident workforce. Expenditure is therefore front loaded in this area.
Project Spend	38.5%	This is the area of the business where priorities change most rapidly to support the changing workforce and business opportunities. Expenditure tends to be challenging to accurately profile. No underspend expected.
Financial	(29.7%)	This overspend relates to internal audit expenditure which has historically been back loaded. Our change of auditor has meant that the profile will be evenly spread throughout the year, no overspend expected.
Communications	(16.1%)	Design and print and conference spend has exceeded expectation. Given the importance of the conference in April 2018 and publicity material we send from the ICO when GDPR was about to come in, more resource has been needed.
Legal & Professional	(94.7%)	Due to the huge remit of priority operations, legal spend has far exceeded that which was profiled back in March 2018. Funding discussions around this area are currently being had with DCMS to ensure we are adequately funded if likely to exceed our income.

MANAGEMENT REPORT

For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2017/18 £
GRANT IN AID	625,000	625,000	0	-	3,750,000	3,750,000
eIDAS	0	0	0	-	46,000	45,000
DP FEE INCOME	3,675,557	4,896,559	-1,221,002	(33.2%)	34,281,725	21,299,977
IPA INCOME	0	0	0	-	382,500	330,000
BANK INTEREST	0	-118	118	-	0	286
TOTAL INCOME	4,300,557	5,521,441	-1,220,884	(28.4%)	38,460,225	25,425,263
OFFICE COSTS	290,726	280,757	9,968	3.4%	2,324,887	1,413,566
STAFF COSTS	3,604,379	3,601,357	3,022	0.1%	25,691,233	18,526,219
TRAINING AND RECRUITMENT	195,215	236,775	-41,560	(21.3%)	1,171,292	679,949
IT COSTS	455,000	446,382	8,618	1.9%	2,400,000	2,831,212
PROJECT SPEND	290,000	178,231	111,769	38.5%	1,140,000	1,218,303
COMMUNICATIONS	170,667	198,217	-27,550	(16.1%)	714,000	319,704
FINANCIAL COSTS	17,917	23,241	-5,324	(29.7%)	107,500	111,934
TRAVEL	110,250	112,074	-1,824	(1.7%)	661,500	597,017
LEGAL, PROFESSIONAL & OTHER	367,382	715,202	-347,821	(94.7%)	1,746,040	1,107,825
TOTAL COSTS	5,501,536	5,792,236	-290,702	(5.3%)	35,956,452	26,805,729
CAPITAL SPEND	0	0	0	-	650,000	747,322
OPERATING SURPLUS	-1,200,979	-270,795	-930,182	77.5%	1,853,773	-2,127,788
GIA PROGRAMME 1819 ADVANCE	-140,000	-140,000	0	-	-1,400,000	1,400,000
SURPLUS	-1,340,979	-410,795	-930,182	69.4%	453,773	-727,788

Cash Flow

Cash flow remains robust, however we may need to review carefully for any dip in income or large payments as salary payment increase over the coming months.

DP Fee Income (attached graphical representation)

Month	BUDGET 2018/19	2018/19 Actual	Variance to Budget	%Variance to Budget
April	1,700	1,901	201	12%
May	1,980	2,995	1,015	51%
June	2,850	-		
July	2,830	-		
August	2,830	-		
September	3,140	-		
October	3,260	-		
November	3,150	-		
December	2,100	-		
January	3,660	-		
February	3,250	-		
March	3,530	-		
Total	34,280	4,896		

The number of registrations has steadily increased from 513,687 at the end of March to 560,033 at the end of May, an increase of 33,364 or 9%. The biggest growth has been in Education/ Childcare, Health & Financial Services. Further indepth analysis into why this is will be conducted over the coming months and will help to horizon scan how we expect the landscape to change under the new fee model.

Civil Monetary Penalties (CMPs)

Below is the summary of those debts we still consider recoverable from the previous year plus new penalties issued to March 2018.

Gross debts B/fwd from 2017-18	2,343,445
Issued penalties gross	1,563,600
Issued prompt payment discount	(191,400)
Irrecoverable debts written off	-
Net	3,715,645
Receipts*	860,444
Balance	2,855,200

*Of this sum, £860,444 is due to be paid to the consolidated fund in July 2018.

Spending controls

The Cabinet Office controls help government organisations to reduce wasteful expenditure. Version 5 introduces new controls for commercial and also digital and technology expenditure.

The ICO is complying with the Cabinet Office Spending Controls Guidance v 5.0

<https://www.gov.uk/government/publications/cabinet-office-controls-version-5/cabinet-office-controls-policy-version-5>

Heather Dove
June 2018

MANAGEMENT REPORT

For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
GRANT IN AID	625,000	625,000	0	-	3,750,000	3,750,000
eIDAS	0	0	0	-	46,000	45,000
DP FEE INCOME	3,675,557	4,896,559	-1,221,002	(33.2%)	34,281,725	21,299,977
IPA INCOME	0	0	0	-	382,500	330,000
BANK INTEREST	0	-118	118	-	0	286
TOTAL INCOME	4,300,557	5,521,440	-1,220,883	(28.4%)	38,460,225	25,425,262
RENT	106,618	108,312	-1,695	(1.6%)	976,512	517,144
RATES & BUILDING INSURANCE	49,375	51,024	-1,649	(3.3%)	296,250	285,122
SERVICE CHARGES	14,029	18,555	-4,526	(32.3%)	87,002	54,125
CAR PARKING	3,100	3,930	-830	(26.8%)	30,000	23,165
HEAT & LIGHT	21,700	24,882	-3,182	(14.7%)	125,700	106,285
WATER	4,500	3,045	1,455	32.3%	27,000	14,692
CLEANING	15,417	17,114	-1,697	(11.0%)	92,500	85,226
SECURITY	9,417	11,499	-2,082	(22.1%)	56,500	62,921
WASTE	758	922	-163	(21.5%)	4,550	4,834
REPAIRS & MAINTENANCE	13,333	12,531	802	6.0%	80,000	64,558
KITCHEN	6,271	5,195	1,076	17.2%	37,625	31,726
REMOVALS	0	0	0	-	0	379
FURNITURE	17,500	660	16,840	96.2%	210,000	228,617
GENERAL EQUIPMENT	2,000	659	1,341	67.0%	12,000	5,038
STATIONERY	12,425	8,160	4,265	34.3%	74,550	82,231
POSTAGE	10,267	10,633	-366	(3.6%)	61,600	54,827
DOCUMENT DESTRUCTION	1,017	1,549	-532	(52.3%)	6,100	5,750
OTHER	3,000	2,088	912	30.4%	196,998	6,932
OFFICE COSTS CAPITALISED	0	0	0	-	-50,000	-220,005
TOTAL OFFICE COSTS	290,726	280,757	9,968	3.4%	2,324,887	1,413,566

MANAGEMENT REPORT

For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
SALARIES	2,725,071	2,676,998	48,073	1.8%	20,268,825	13,621,744
OVERTIME	45,500	42,930	2,570	5.6%	266,000	176,064
PENSION	544,404	544,406	-2	(0.0%)	3,452,264	2,731,825
NATIONAL INSURANCE	268,246	267,811	435	0.2%	1,637,196	1,327,693
AGENCY STAFF	0	48,073	-48,073	-	0	507,926
INWARD SECONDMENT	12,000	11,980	20	0.2%	12,000	108,884
NON EXEC BOARD MEMBER	9,158	9,159	-1	(0.0%)	54,948	52,083
TOTAL STAFF COSTS	3,604,379	3,601,357	3,022	0.1%	25,691,233	18,526,219
RECRUITMENT	126,667	122,235	4,432	3.5%	760,000	288,209
RELOCATION EXPENSES	0	0	0	-	0	4,459
HEALTH & SAFETY	7,500	9,433	-1,933	(25.8%)	45,000	60,464
APPRENTICESHIP LEVY	12,696	11,141	1,555	12.3%	76,178	52,959
FURTHER EDUCATION	0	188	-188	-	0	2,445
ALL STAFF SKILLS DEVELOPMENT	20,019	84,227	-64,208	(320.7%)	120,114	178,311
SEMINARS AND CONFERENCES	28,333	1,477	26,856	94.8%	170,000	16,602
MANAGEMENT DEVELOPMENT	0	1,718	-1,718	-	0	48,416
CSL E LEARNING	0	0	0	-	0	720
CSL WORKSHOPS	0	0	0	-	0	12,498
PROFESSIONAL QUALIFICATIONS	0	0	0	-	0	13,397
INFORMATION TECHNOLOGY	0	6,357	-6,357	-	0	1,469
TOTAL TRAINING AND RECRUITMENT	195,215	236,775	-41,560	(21.3%)	1,171,292	679,949

MANAGEMENT REPORT

For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
HOSTING, WEB AND TELEPHONY	113,333	116,393	-3,060	(2.7%)	500,000	576,487
APP & DESKTOP SUPPORT	101,667	104,462	-2,795	(2.7%)	460,000	687,112
SOFTWARE LICENSING	83,333	116,486	-33,153	(39.8%)	500,000	571,564
SECURITY CONTRACT	8,333	5,116	3,217	38.6%	50,000	21,857
NOTIFICATION PRINTING	40,000	44,754	-4,754	(11.9%)	240,000	240,332
MANAGED PRINT	8,333	6,377	1,956	23.5%	50,000	47,360
CARD PROCESSING CHARGES	28,333	14,871	13,463	47.5%	170,000	110,069
HARDWARE MAINTENANCE	13,333	5,219	8,114	60.9%	80,000	96,045
GOV SECURE INTERNET	21,667	0	21,667	100.0%	130,000	176,495
TELEPHONY CALLS & BROADBAND	36,667	32,704	3,963	10.8%	220,000	303,891
TOTAL IT COSTS	455,000	446,382	8,618	1.9%	2,400,000	2,831,212
ICE CRM DEVELOPMENT	0	73,377	-73,377	-	0	464,215
FINANCE SYSTEM	0	0	0	-	0	11,455
DOCUMENT STORAGE SOLUTION	0	39,397	-39,397	-	0	151,119
INFRASTRUCTURE	290,000	14,426	275,574	95.0%	1,740,000	749,574
HARDWARE & SOFTWARE UPGRADES	0	22,361	-22,361	-	0	226,073
PRE-PROJECT INVESTIGATIONS	0	0	0	-	0	14,582
NPS RESOURCE	0	21,957	-21,957	-	0	6,574
OTHER PROJECT WORK	0	6,713	-6,713	-	0	122,028
PROJECT WORK CAPITALISED	0	0	0	-	-600,000	-527,318
TOTAL PROJECT SPEND	290,000	178,231	111,769	38.5%	1,140,000	1,218,303

MANAGEMENT REPORT

For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
CAMPAIGNS, MEDIA RELATIONS & PR	50,833	3,591	47,243	92.9%	305,000	90,342
MARKETING CONSORTIUM INCOME	0	0	0	-	0	-42,401
MEDIA MONITORING	13,333	11,378	1,955	14.7%	80,000	21,472
DESIGN & PRINT	10,000	30,387	-20,387	(203.9%)	60,000	46,482
DISTRIBUTION	5,000	5,000	0	-	30,000	38,938
SURVEYS	10,000	960	9,040	90.4%	60,000	41,672
CONFERENCES GENERAL	120,000	188,109	-68,109	(56.8%)	160,000	134,825
CONFERENCE INCOME	-50,000	-51,968	1,968	(3.9%)	-50,000	-41,164
ICON DEVELOPMENT	833	0	833	100.0%	5,000	0
STAFF EVENTS	6,167	2,441	3,726	60.4%	37,000	2,544
WEB MAINTENANCE	4,500	8,319	-3,819	(84.9%)	27,000	26,995
TOTAL COMMUNICATIONS	170,667	198,217	-27,550	(16.1%)	714,000	319,704
BANK CHARGES	6,250	437	5,813	93.0%	37,500	38,917
EXTERNAL AUDIT	5,500	5,417	83	1.5%	33,000	30,000
INTERNAL AUDIT	6,167	17,387	-11,220	(182.0%)	37,000	42,087
BAD DEBT WRITE OFF	0	0	0	-	0	930
TOTAL FINANCIAL COSTS	17,917	23,241	-5,324	(29.7%)	107,500	111,934
CAR HIRE	1,833	721	1,112	60.7%	11,000	5,927
EPCS CARD REBATE	0	0	0	-	0	-1,406
TRAVEL HOSTING	0	34	-34	-	0	5,099
TRAVEL UK	78,083	94,809	-16,726	(21.4%)	468,500	468,428
TRAVEL OVERSEAS	34,500	16,510	17,990	52.1%	207,000	141,713
TRAVEL INCOME - UK	-1,333	0	-1,333	100.0%	-8,000	-1,690
TRAVEL INCOME - OVERSEAS	-2,833	0	-2,833	100.0%	-17,000	-21,055
TOTAL TRAVEL	110,250	112,074	-1,824	(1.7%)	661,500	597,017

MANAGEMENT REPORT

For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget	Actual	Variance	Var %	Forecast	2017/18
	£	£	£	%	£	£
LEGAL	103,000	299,746	-196,746	(191.0%)	618,000	665,844
LEGAL COSTS RECOVERED	-4,167	-2,343	-1,824	43.8%	-25,000	-101,305
LIBRARY & SUBSCRIPTIONS	12,507	17,722	-5,215	(41.7%)	73,040	64,844
PROFESSIONAL MEMBERSHIPS	0	1,065	-1,065	-	14,250	15,174
RESEARCH	67,375	0	67,375	100.0%	491,750	17,640
RESEARCH GRANTS FUND	125,000	252,302	-127,302	(101.8%)	250,000	65,581
NIS DIRECTIVE	16,667	0	16,667	100.0%	100,000	0
PROFESSIONAL SERVICES	35,000	152,744	-117,744	(336.4%)	210,000	368,413
OTHER	0	0	0	-	2,000	0
STAFF RECOGNITION	12,000	-6,034	18,034	150.3%	12,000	11,634
TOTAL LEGAL, PROFESSIONAL & OTHER	367,382	715,202	-347,821	(94.7%)	1,746,040	1,107,825
TOTAL COSTS	5,501,535	5,792,236	-290,700	(5.3%)	35,956,452	26,805,728
CAPITAL SPEND	0	0	0	-	650,000	747,322
OPERATING SURPLUS	-1,200,978	-270,795	-930,183	77.5%	1,853,773	-2,127,789
GIA PROGRAMME 1819 ADVANCE	-140,000	-140,000	0	-	-1,400,000	1,400,000
SURPLUS	-1,340,978	-410,795	-930,183	69.4%	453,773	-727,789

MANAGEMENT REPORT

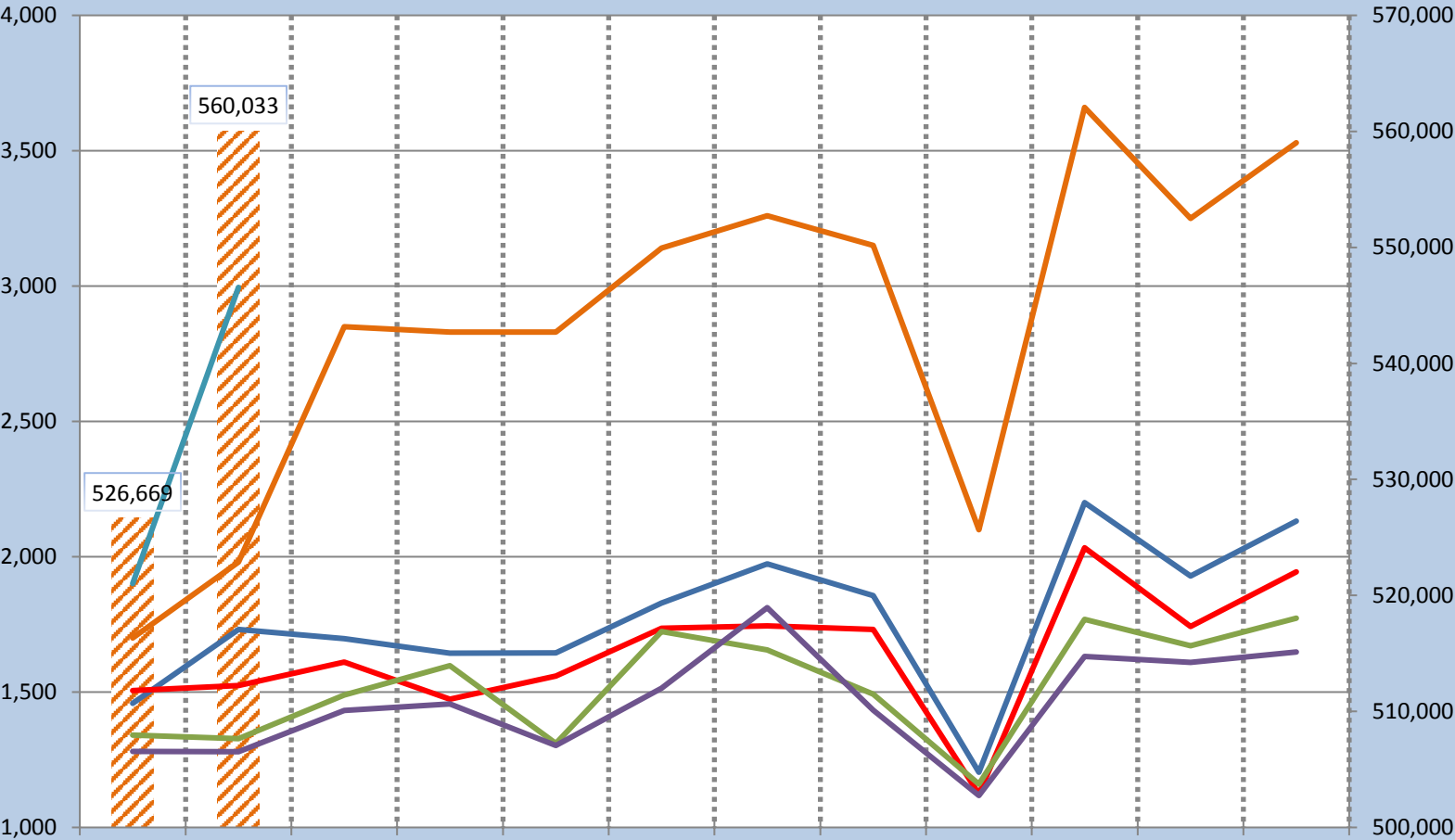
For the Two Months Ending 31 May 2018

	Year To Date				Full Year	Prior Year
	Budget £	Actual £	Variance £	Var % %	Forecast £	2017/18 £
FTE Staff Analysis						
Permanent Staff Band A	0.0	7.5	(7.5)	0.0	0.0	7.5
Permanent Staff Band B	0.0	22.7	(22.7)	0.0	0.0	29.3
Permanent Staff Band C	0.0	112.2	(112.2)	0.0	0.0	106.9
Permanent Staff Band D	0.0	164.4	(164.4)	0.0	0.0	152.8
Permanent Staff Band E	0.0	124.4	(124.4)	0.0	0.0	118.3
Permanent Staff Band F	0.0	65.7	(65.7)	0.0	0.0	57.1
Permanent Staff Band G	0.0	17.4	(17.4)	0.0	0.0	16.8
Permanent Staff Band H	0.0	4.0	(4.0)	0.0	0.0	4.0
Permanent Staff on Leave Band D	0.0	3.5	(3.5)	0.0	0.0	0.0
Permanent Staff on Leave Band E	0.0	4.7	(4.7)	0.0	0.0	0.0
Permanent Staff on Leave Band F	0.0	2.3	(2.3)	0.0	0.0	0.0
Agency Staff Band B	0.0	6.0	(6.0)	0.0	0.0	6.0
Agency Staff Band C	0.0	22.0	(22.0)	0.0	0.0	1.0
Agency Staff Band D	0.0	2.0	(2.0)	0.0	0.0	2.0
Agency Staff Band E	0.0	4.0	(4.0)	0.0	0.0	0.0
Total FTE staff	0.0	562.9	(562.9)	0.0	0.0	501.7

Fee Income 2018/19

Fee income (£000)

Registration



April

Month

INFORMATION COMMISSIONERS OFFICE

For the Twelve Months Ending 31 March 2019

	Actual Apr-18 £ (000)	Actual May-18 £ (000)	Forecast Jun-18 £ (000)	Forecast Jul-18 £ (000)	Forecast Aug-18 £ (000)	Forecast Sep-18 £ (000)	Forecast Oct-18 £ (000)	Forecast Nov-18 £ (000)	Forecast Dec-18 £ (000)	Forecast Jan-19 £ (000)	Forecast Feb-19 £ (000)	Forecast Mar-19 £ (000)
Cash flows from operating activities												
Net Expenditure												
DP FEE INCOME	-1,901	-2,995	-2,729	-2,708	-2,712	-3,014	-3,138	-3,032	-1,977	-3,539	-3,133	-3,403
DRIPA INCOME	0	0	-83	0	0	-100	0	0	-100	0	0	-100
OFFICE COSTS	133	148	155	171	171	172	171	171	172	171	171	572
STAFF COSTS	1,752	1,849	2,139	2,143	2,139	2,139	2,143	2,139	2,139	2,143	2,139	2,828
TRAINING AND RECRUITMENT	49	188	93	93	93	93	93	93	93	93	93	93
IT COSTS	224	223	201	201	201	201	201	201	201	201	201	146
PROJECT SPEND	103	76	156	156	156	156	156	156	156	156	156	-494
COMMUNICATIONS	169	30	-134	54	94	14	54	54	54	54	54	214
FINANCIAL COSTS	21	3	8	8	8	8	8	8	8	8	8	8
TRAVEL	50	63	55	55	55	55	55	55	55	55	55	55
LEGAL, PROFESSIONAL & OTHER	364	351	88	89	89	88	95	88	213	88	88	103
Net expenditure total	962	-66	-50	263	295	-187	-161	-66	1,014	-569	-166	23
Decrease in trade and other receivables	226	525	637	-853	176	1,048	-1,341	43	21	-2,524	1,295	-709
Increase in trade payables	-43	-758	-595	2,400	-76	-1,479	468	-378	-45	3,674	-1,936	101
Use of provisions	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from operating activities	1,145	-299	-8	1,810	395	-618	-1,033	-401	990	581	-807	-585
Cash flows from investing activities												
Capital Spend	0	0	0	0	0	0	0	0	0	0	0	650
Profit/Loss on Disposal of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0
Net cash outflow from investing activities	0	0	0	0	0	0	0	0	0	0	0	650
Cash flows from financing activities												
Grant in Aid	-313	-313	-313	-313	-313	-313	-313	-313	-359	-313	-313	-313
Grant in Aid Programme in Advance	140	0	0	140	140	140	140	140	140	140	140	140
Net cash flows from financing activities	-173	-313	-313	-173	-173	-173	-173	-173	-219	-173	-173	-173
Net increase/(decrease) in cash and cash equivalents in the year												
Net increase/(decrease) in cash	973	-611	-320	1,637	223	-790	-1,206	-573	772	408	-980	-108
Cash & equivalents- start of period	2,923	1,950	2,561	2,882	1,244	1,021	1,812	3,017	3,590	2,819	2,410	3,390
Cash & equivalents- end of period	1,950	2,561	2,882	1,244	1,021	1,812	3,017	3,590	2,819	2,410	3,390	3,498